

EXECUTIVE OFFICER SUMMARY REPORT
September 10, 2003

ITEM: 14

SUBJECT: STATUS REPORT: THE NATIONAL STEEL AND SHIPBUILDING COMPANY (NASSCO) AND SOUTHWEST MARINE, INC. (SOUTHWEST MARINE) CONTAMINATED SEDIMENT INVESTIGATION IN SAN DIEGO BAY.
NOTE: THIS IS A STATUS REPORT. THE REGIONAL BOARD WILL NOT BE MAKING ANY DECISIONS REGARDING THIS ITEM. (Tom Alo)

PURPOSE: Provide an update to the Regional Board on the status of the NASSCO and Southwest Marine shipyards sediment investigation.

PUBLIC NOTICE: The public was notified of this item in the agenda notice for the September 10, 2003 meeting, which was mailed on August 29, 2003.

DISCUSSION: National Steel and Shipbuilding Company (NASSCO) and Southwest Marine, Inc. (Southwest Marine) shipyards are conducting a site-specific study due to the elevated levels of pollutants present in the marine sediments within and adjacent to their leaseholds. The site-specific study is required under the terms of Resolution Nos. 2001-02 and 2001-03 adopted by the Regional Board in February 2001. These resolutions directed the Executive Officer to issue Water Code Section 13267 letters requiring NASSCO and Southwest Marine to conduct a site-specific sediment quality assessment study, develop sediment cleanup levels, identify sediment cleanup alternatives, and develop cleanup costs.

The sediment study has been proceeding since June 2001 and the technical report is due to be submitted to the Regional Board on September 30, 2003. The purpose of the technical report is to present the data and findings of the comprehensive sediment investigation conducted within and adjacent to the NASSCO and Southwest Marine leaseholds. The report will contain a variety of complimentary approaches available to derive cleanup levels (e.g. Apparent Effects Threshold (AET), Equilibrium Partitioning, human health risk assessment, aquatic-dependent wildlife risk assessment). These approaches taken together will provide a firm foundation for site-

specific cleanup levels at NASSCO and Southwest Marine. The technical report will, at a minimum, include the following:

- Sediment quality data collected at each shipyard. The data consists of bulk sediment and pore water chemistry, sediment and pore water toxicity, benthic community structure, and bioaccumulation.
- Nature and areal extent of sediment contamination resulting from current and historical waste discharges from the shipyards.
- Biological effects and risks to San Diego Bay beneficial uses (aquatic life, aquatic-dependent wildlife, and human health) associated with sediment contamination at the shipyards.
- Determination and evaluation of cleanup levels protective of beneficial uses, including cleanup levels representing background conditions in San Diego Bay.
- Analysis of sediment remedial alternatives.

Staff has coordinated closely with key stakeholders throughout the course of the sediment quality investigation. The key stakeholders include:

- Natural Resource Trustee Agencies: Department of Fish & Game, U.S. Fish & Wildlife Service, National Oceanic Atmospheric Administration (NOAA), Office of Environmental Health Hazard Assessment (OEHHA), and Department of Toxic Substances Control – Human and Ecological Risk Division (HERD).
- San Diego Bay Council: San Diego Bay Keeper, Environmental Health Coalition, Sierra Club, Audubon Society, and Surfrider Foundation.
- Technical Experts: Southern California Coastal Water Research Project (SCCWRP), Marine Environmental Quality Branch of the U.S. Navy, UC Davis Marine Pollution Studies Laboratory, and Moss Landing Marine Laboratories.

Staff has held numerous meetings and teleconferences with these stakeholders to discuss concerns and technical issues associated with the investigation. At times staff held daylong meetings to ensure that all stakeholder issues were considered and discussed. Staff has also provided detailed written responses to comments received from stakeholders and has held several workshops to update the public, including the Regional Board members, on the progress of the

shipyard investigation.

At the August 13, 2003 Regional Board meeting, the San Diego Bay Council submitted a letter requesting the Regional Board to schedule a public hearing to discuss the reference station issues and to consider other proposed reference pools. Staff does not agree with Bay Council's characterization of the Regional Board's reference pool, their critique of the decision-making process, their recommendation that the Board use the reference pool favored by San Diego Bay Council, and in particular the comments that Staff excluded San Diego Bay Council from critical deliberations on the reference pool. In June 2003 Regional Board staff after completing an extensive technical analysis in concert with other government agencies and technical experts, and with consideration of the perspectives of all stakeholders, instructed NASSCO and Southwest Marine to proceed with completing their technical report on the sediment quality investigation using the reference pool selected by staff. The shipyards are well into preparing the report and it is due to be submitted on September 30, 2003. Staff does not support delaying the submission of this report and further delaying a Regional Board decision on cleanup in order to continue the debate on the relative technical merits of alternative reference station approaches.

At this juncture the efficacious course for the Regional Board to conclude the investigation and determine cleanup levels is to obtain the technical report from the shipyards on September 30. Staff will review the report to determine appropriate cleanup levels and has tentatively scheduled the Regional Board's consideration of Cleanup and Abatement Orders (CAOs) for NASSCO and Southwest Marine at the February 2004 Regional Board meeting. The CAOs will include directives to cleanup and abate the effects of the discharges in accordance with the final cleanup levels and include a time schedule for compliance with the directives. The Regional Board will provide ample opportunity for public comment on the CAOs, including the recommended cleanup levels as well as the reference station pool used in deriving the cleanup during the public review process for the CAOs.

LEGAL CONCERNS:

None

**SUPPORTING
DOCUMENTS:**

September 5, 2003 letter to San Diego Bay Council, et. al.

RECOMMENDATION:

This is an informational item only. No formal Board action will be taken on this item.

